



PSC NEWS

Missouri Public Service Commission

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PSC CHAIRMAN CONTINUES SUPPORT FOR MORE LIHEAP FUNDING

Jefferson City (January 9, 2003)---Today Missouri Public Service Commission Chairman Kelvin Simmons joined with those who are encouraging the White House and United States Congress to increase funding for the Low-Income Home Energy Assistance Program (LIHEAP). A number of groups were in Washington, D.C. on January 8, 2003, urging Congress to increase LIHEAP funding.

Today's efforts are a continuation of Chairman Simmons' strong support for increased funding to help low-income Missourians with their heating and cooling bills. In a letter sent to Missouri Governor Bob Holden (letter attached), he has asked the Governor to join him in seeking support for increased LIHEAP funding.

"We've seen an increase this year versus last in the cost of natural gas," stated Chairman Simmons. "This will place an additional economic burden on Missouri's low-income as they fight to make ends meet. When evaluating the federal budget, their voices need to be heard and additional federal dollars need to be given to LIHEAP. Given our current tight economy, now is certainly not the time to provide less to those most in need."

"We in the Midwest are subject to weather extremes for both the winter and summer periods. This places a burden on LIHEAP funding in Missouri for heating and cooling dollars. Increased funding is needed and it is my hope that Congress will answer the call."

LIHEAP, federally funded and administered by the states, provides financial assistance to low-income citizens in helping them pay their utility bills.



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Secretary/Chief Regulatory Law Judge

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General Counsel

January 9, 2003

The Honorable Bob Holden
Governor
State Capitol
Jefferson City, MO 65101

Dear Governor Holden:

Late last month, the National Fuel Funds Network issued a national alert to agencies and officials interested in helping families meet their winter energy needs. Congress is expected to complete action on the FY 2003 budget before the end of the month, and funding for the Low Income Home Energy Assistance Program (LIHEAP) is at stake.

Even though the cost of winter heating fuels is increasing, the President has proposed cutting LIHEAP appropriations by \$300 million for FY 2003, from \$1.7 billion to \$1.4 billion. This will put hundreds of families in jeopardy in Missouri, especially those who still are paying "back bills" from previous winter heating seasons. The President's proposal also disrupts a Congressional compromise that was one bright spot in last year's federal energy bill: \$3 billion in annual LIHEAP appropriations. This hurts families, local economies and utility providers.

On behalf of all those interests, I ask that you take two immediate steps, while Congress is still deliberating, to demonstrate Missouri's advocacy for increased LIHEAP funding:

1. Communicate with our Congressional delegation and with President Bush, supporting the action described in the enclosed letter from National Fuel Funds Network Chairperson Carol Clements; and
2. Inform the news media of your position, which is consistent with action recommend by your Energy Policy Task Force and with your August 16, 2001 letter to President Bush, urging him to release \$300 million in supplemental LIHEAP funds.

Letter to Governor Holden

January 9, 2003

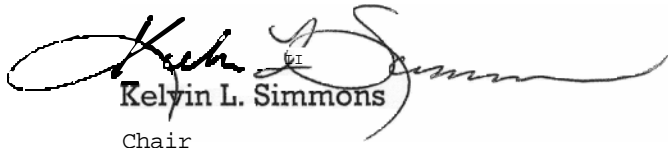
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You are the natural advocate for Missouri's families, and I am prepared to work with you or on your behalf to promote this position. The Commission has an established record to build on, including:

- Results achieved through the recommendations of the Commission's Natural Gas Commodity Price Task Force (more frequent price filings to avoid dramatic sticker shock, more effective hedging by Missouri natural gas companies and more consumer awareness of gas pricing) ;
- PSC news alerts at the first signs of possible gas price volatility;
- An emergency Commission rule to help customers pay heating arrearages and maintain service;
- Public advocacy at the Capitol, urging support for energy assistance proposals in your 2002 legislative package.

National Fuel Funds Network members traveled to Washington, D.C. yesterday to deliver the LIHEAP message. I hope you will consider joining the growing number of states urging Congress and the President not to provide less for those most in need.

Sincerely,


Kelyin L. Simmons
Chair

Enc.

C: Commissioners, Bob Quinn, Wess Henderson, Warren Wood, Donna Prenger, Janet Hoerschgen, Kevin Kelly, Toni Messina, Gregg Ochoa, Mary Still, Jane Dueker, Christy Gallagher